

**DRAFT MINUTES OF THE TOWN OF GILBERT, ARIZONA SELF-INSURED TRUST FUND FOR
HEALTH INSURANCE BENEFITS BOARD OF TRUSTEES MEETING
CONFERENCE ROOM 300, 50 E. CIVIC CENTER DR., GILBERT, ARIZONA
July 12, 2017**

MEMBERS PRESENT: Anthony Panepinto, Chairman
Les Presmyk, Vice Chairman
Mary Dellai

MEMBERS ABSENT: Council Member Jordan Ray
Assistant Town Manager Marc Skocypec

STAFF PRESENT: Kristen Drew, Human Resources Manager
Jolean Fleck, Human Resources Director
Donna Pedrera, Sr. Human Resources Analyst
Cris Parisot, Management & Budget Analyst
Tanya Wright, Finance Manager

GUESTS PRESENT: Dawn Roberts, Willis Towers Watson
Steve Doyle, Willis Towers Watson
Katie Herman, Willis Towers Watson

1. Call to Order

Chairman Panepinto called the meeting to order at 5:32PM.

2. Roll Call

Ms. Pedrera called roll and a quorum was declared.

3. Communication from Citizens

None

4. Trust Account Financial Reporting

Motion to approve Financial Reports as presented.

Ms. Wright reviewed the unaudited financial reports as of June 30, 2017. There were no concerns noted and net position has improved over the previous year. When audits are complete the final year-end financial reports will come back to the board for review and approval.

Mr. Panepinto motioned to accept the financial reports as of June 30, 2017 as presented. Mr. Presmyk seconded the motion. The motion passed 3-0.

5. TPA Transition Update

Discussion only.

Ms. Drew reported that the transition is going well with a few normal issues. Those issues are being addressed quickly. Ms. Drew noted one item in particular is the contract negotiations between Aetna and Phoenix Children's Hospital for the current term that expires August 6, 2017. These negotiations are

normal however some employees have expressed concern about this. Aetna is aware that Gilbert has a strong interest in a successful outcome to those negotiations. Staff and Council have been made aware of the negotiations and updates will continue as available. There have been positive comments from employees with lower prescriptions costs, and great feedback from a few employees who have utilized the Teladoc service. Wellness discussions continue and automation options are being evaluated. The final plan documents are being finalized and will come back to the Board for review prior to going to the Mayor for signature.

6. Review of Plan Dashboard

Discussion only.

Year-end reports are not yet available from MMSI, therefore there is no update to the dashboard. This will be reviewed at the next meeting.

7. Discussion of Retiree Options

Discussion only.

Ms. Drew referred to a request from the Council Retreat in February 2017, that staff and the Board evaluate options to address the ongoing Other Post-Employment Benefit (OPEB) liability that is reported in the Comprehensive Annual Financial Report (CAFR) each year. Staff shared the current Gilbert retiree parameters, initial research of options, as well as the current retiree options of peer communities. Ms. Drew suggested that staff conduct further research on a few of the options, to include legal and budget review, so the Board can have a more meaningful discussion. The suggested options to research further included a separate plan, a Health Reimbursement Account (HRA), and offering a stipend to be used toward Arizona State Retirement System (ASRS) plans. The Board acknowledged staff should continue with the research and this topic would merit much more discussion.

8. Discussion of Calendar Year vs. Fiscal Year

Motion to remain on fiscal plan year.

Ms. Drew reviewed the information comparing calendar plan year to fiscal plan year, as requested at a previous Board meeting. A few employees have expressed frustration at the flex spending plan on the calendar year and the health plan on a fiscal year. The IRS guidelines drive the flex plan on the calendar year, and the town's fiscal year drive the health plan for budgeting purposes. The pros and cons were reviewed and Ms. Drew stated that as the plan moves toward a High Deductible Health Plan (HDHP) there will be more people using a Health Savings Account (HSA) and less on a flex spending account. Staff recommendation is to remain on the fiscal year, due to the ongoing budgeting challenges and the impact of a transition.

Mr. Presmyk motioned to keep the health plan on the fiscal year. Ms. Dellai seconded the motion. The motion passed 3-0.

9. Staff Update and Future Agenda Items

Ms. Drew reviewed upcoming items. No action, discussion only.

The next meeting of the Health Trust will be August 23, 2017 at 5:30pm.

10. Adjournment

The meeting adjourned at 6:29 PM.

Anthony Panepinto, Chairman

ATTEST: _____
Kristen Drew
Human Resources, Benefits Manager